



## Irish Life Weekly Investment Bulletin

The week that was – WEEK 44 (ending 28/10/2016)

*“Who looks outside, dreams; who looks inside, awakes.” – Carl Jung*

**Irish mortgage drawdowns up nearly 14% yoy in Quarter 3** – According to new data by the Banking & Payments Federation Ireland (BPFI), the number of mortgage drawdowns in the third quarter rose by 13.7% compared to Q3 2015, and the most since Q4 2009 as more than 8,000 new mortgages were drawn down.

**Irish commercial property market returns 2.1% in Q3** – MSCI reported a 2.1% total return on Irish commercial property in the third quarter of 2016 as per the IPD/SCSI Ireland Quarterly Property Index. This is in comparison to a rise of 3.1% in the second quarter of 2016. The year-to-date return to end of Q3 is 8.5%.

**European economy bouncing back** – The eurozone manufacturing PMI (Purchasing Managers' Index) rose to a 30-month high at 53.3 and Germany's Ifo index of business confidence to a two-and-a-half-year high. However other data showed that the French economy expanded a relatively low 0.2% versus the prior quarter.

**Global stock market down 0.5% on the week** – The World stock market (MSCI AC World) had a -0.51% return from 21st October to 28th October as expectations for a December rate rise from the U.S. Federal Reserve and a 'tapering' of other monetary measures elsewhere strengthened after improved data releases.

**Global bond yields extend recent rise** – Improved economic data helped extend the recent move higher in global bond yields and fall in values. German 10-year bunds were at 0.17% and U.K. 10-year gilts are at post-Brexit highs of 1.26% after strong Q3 GDP data while U.S. 10-year yields are at four month highs of 1.85%.

**U.S. GDP growth in Q3 highest in two years** – Data released by the Bureau of Economic Analysis for the third quarter shows the best quarter of economic growth in two years. The economy expanded at a 2.9% annual rate, boosted by a rise in inventories and on a narrower trade deficit but consumption was muted.

**The Story of the week:** A home-made story of the week this time – no, not that the last-ever episode of “The Great British Bake Off” on the BBC aired on Wednesday evening. Irish Life MAPS has passed the €2bn milestone in Retail funds under management. This wouldn't have happened without the huge support, enthusiasm and activity from all our channels in Financial Planning and Brokerage/One Source as well as all parts of Irish Life and ILIM.

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# Index Performances and Market Data\*

<b>Equity Markets % (in Local Currency)</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016 YTD (to 28/10)</b>
ISEQ Overall Return	2.6	20.5	35.8	16.8	33.6	-11.4
FTSE 100 TR	-2.2	10.0	18.7	0.7	-1.3	16.0
Euro Stoxx 50 TR	-14.1	18.1	21.5	4.0	6.4	-3.1
S&P 500 TR	2.1	16.0	32.4	13.7	1.4	5.9
Nasdaq Composite	-1.8	15.9	38.3	13.4	5.7	3.6
Nikkei 225	-17.3	22.9	56.7	7.1	9.1	-8.3
MSCI Emerging Markets	-14.9	13.9	0.9	2.6	-8.0	9.8
MSCI AC World	-8.5	13.2	22.9	7.2	-0.7	2.4
<b>Sovereign 10yr Bond Yields (%)</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016 YTD</b>
U.S.	1.9	1.7	3.0	2.2	2.2	1.9
German	1.8	1.4	1.9	0.5	0.6	0.2
UK	2.0	1.9	3.0	1.9	1.9	1.3
Japan	1.0	0.7	0.7	0.3	0.2	-0.1
Ireland	8.4	4.5	3.4	1.3	1.1	0.6
Italy	7.1	4.6	4.1	2.1	1.6	1.7
Greece	31.7	12.7	8.2	9.6	7.9	8.0
Portugal	13.4	6.9	6.1	2.7	2.5	3.3
Spain	5.1	5.4	4.1	1.6	1.7	1.3
<b>Central Bank Rates (%)</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016 YTD</b>
ECB	1	0.75	0.25	0.05	0.05	0.0
Bank of England	0.5	0.5	0.25	0.50	0.50	0.25
U.S. Federal Reserve	0.25	0.25	0.25	0.25	0.50	0.50
<b>Foreign Exchange Rates</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016 YTD</b>
Euro/Dollar (€/€)	1.30	1.31	1.37	1.21	1.09	1.10
Euro/Sterling (€/£)	0.83	0.81	0.83	0.78	0.75	0.90
Sterling/Dollar (£/\$)	1.55	1.61	1.65	1.56	1.46	1.22
<b>IPD All Property Return (%)</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
Ireland	-2.4	3.1	12.7	40.1	25.0	8.5 (to end of Q3)
U.K.	8.1	2.7	10.7	17.8	13.1	2.5 (to end of Q2)
U.S.	14.5	5.3	11.4	11.2	12.1	4.1 (to end of Q2)

\*Past performance is not a reliable guide to future performance